One nation, One ITR form

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About One nation, One ITR form:

- According to the proposal, all taxpayers, barring trusts and non-profit organisations, can use the common ITR form, which also includes a separate head for disclosure of income from virtual digital assets.
- The draft ITR form aims to bring ease of filing returns and reduce the time for filing the ITR by individuals and non-business-type taxpayers considerably.
- It proposes to introduce a common ITR by merging all the existing returns of income except ITR-7. However, the current ITR-1 and ITR-4 will continue.
- This will give an option to such taxpayers to file the return either in the existing form (ITR-1 or ITR-4), or the proposed common ITR, at their convenience.

Current Scenario:

- There are seven kinds of ITR forms, which are used by different categories of taxpayers. They are as follows:
- ITR Form 1, called ‘Sahaj’, is for small and medium taxpayers. Sahaj forms can be filed by individuals who have an income up to Rs 50 lakh, with earnings from salary, one house property/ other sources (interest etc).
- ITR-2 is filed by people with income from residential property.
- ITR-3 is intended for people who have income as profits from business/ profession

- ITR-4 (Sugam) is, like ITR-1 (Sahaj), a simple forms, and can be filed by individuals, Hindu Undivided Families (HUFs) and firms with total income up to Rs 50 lakh from business and profession.
- ITR-5 and 6 are for limited liability partnerships (LLPs) and businesses respectively.
- ITR-7 is filed by trusts and non-profit organisations.

Source : Indian Express
